

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2019

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2019

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2019. Please refer to the individual divider tab for our report on each Agency.

City of Dana Point

City of Fountain Valley

City of La Habra

City of San Clemente

City of Tustin

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF DANA POINT

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Dana Point's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2019. Agree the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund and object code. The City records its Senior Mobility Program expenditures in its Measure M Fund (04) under the Professional Services object code (2230). The City reported \$23,870 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$152,718 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$103,659 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$103,659; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$53,555 during the fiscal year ended June 30, 2019, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the City's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained the City's interest allocation methodology. Interest is allocated based on a weighted average of the City's earned interest rates and the fund's month-end balances during the fiscal year. The City reported \$829 of interest income for the year ended June 30, 2019, which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$9,752, which was approximately 40% of the total expenditures of \$23,870. No exceptions were identified as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$23,870 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. If the driver's license/ID card does not show a current Dana Point address, a current utility bill is also required to verify residency. City staff reviews the application for completeness and verifies age and residency in accordance with the Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1) Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, Line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Age Well to provide senior transportation services under the Senior Mobility Program. The City contracted with Age Well in January 2013. The City did not have supporting evidence that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract through June 30, 2016, and the amended contract through June 30, 2021, we also did not find language requiring that wheelchair accessible vehicles be made available and used as needed.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted within 30 days of month end. OCLTA staff confirmed that reports were received on the following dates:


<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/4/19	4
December 2018	1/31/19	-
February 2019	3/31/19	-
June 2019	7/17/19	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF DANA POINT, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 23,870</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 23,870</u>

Note: The above amounts were taken directly from the financial records of the City of Dana Point and were not audited.



February 28, 2020

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of Dana Point as of and for the fiscal year ended June 30, 2019.

Procedure #9

Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. Determine whether the Contractor was selected using a competitive procurement process.
- b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Age Well to provide senior transportation services under the Senior Mobility Program. The City contracted with Age Well in January 2013. The City did not have supporting evidence that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract through June 30, 2016, and the amended contract through June 30, 2021, we also did not find language requiring that wheelchair accessible vehicles be made available and used as needed.

City's Response:

The City knows that Age Well only uses wheelchair accessible vehicles. However, the City agrees and will include specific language requiring the availability and use of wheelchair accessible vehicles in the next RFP process and subsequent contract. Although, the City did bid out the transportation contract in 2013, staff is unable to locate the documentation. The City will maintain documentation related to the competitive procurement process in the future.



Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, March 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted timely within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/4/19	4
December 2018	1/31/19	-
February 2019	3/31/19	-
June 2019	7/17/19	-

No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the finding that one of the monthly reports was received four (4) days after the required filing deadline. Staff has amended procedures to ensure that all reports are submitted within 30 days of month end.

Mark Denny, City Manager

Michael Killebrew, Director of Finance

Sherry Murphy, Recreation Manager

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF FOUNTAIN VALLEY

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Fountain Valley's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2019. Agree the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures relating to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and sub-project. The City recorded its Senior Mobility Program expenditures in its General Fund (11) and Measure M2 Fund (25), various sub project codes, and object. The City reported \$159,310 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$246,383 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$12,243 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$12,243; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$86,401 during the fiscal year ended June 30, 2019, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the City's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained the City's interest allocation methodology. We identified interest income of \$1,668, which was calculated by multiplying the SMP average monthly cash balance of \$106,720 and the Measure M2 Fund interest rate of 1.5628%. The City reported \$1,667 of interest income for the year ended June 30, 2019 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. There is no net cost to the City to run the proposed senior transportation program. The City charged \$2 per fare for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual- basis funding allocation) for fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. Total match expenditures amounted to \$46,077, which was approximately 29% of the total expenditures of \$159,310. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$114,388 representing 72% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of Fountain Valley, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary reports, and determine the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	12/19/18	-
December 2018	1/28/19	-
February 2019	3/26/19	-
June 2019	7/31/19	-

No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF FOUNTAIN VALLEY, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	\$ 159,310
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 159,310</u>

Note: The above amounts were taken directly from the financial records of the City of Fountain Valley and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF LA HABRA

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of La Habra's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2019. Agree the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund and various object codes. The City records its Senior Mobility Program expenditures in its Measure M Fund (134) and various object codes. The City reported \$61,382 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$171,720 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$0 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$0; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$61,382 during the fiscal year ended June 30, 2019, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the City's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: The City spent the total amount funded by OCLTA for their Senior Mobility Program. As such, no remaining fund balance was recorded and no interest revenue was allocated. We inquired of City personnel regarding fare collection methodologies. Fares are collected by Keolis Transit Services for the Senior Mobility Program. The revenues are tracked by monthly summary reports. No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$15,501 which was approximately 25% of the total expenditures of \$61,382. No exceptions were identified as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and meet requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$61,382 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their photo identification for age and residence verification. City staff reviews the application for completeness and verifies age and residency in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, Line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Services in April 2018 to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that the City did not conduct a competitive procurement. The City had relied on a competitive process conducted by the City of Costa Mesa in June 2017. Although the City's purchasing policy indicates that the City can utilize cooperative governmental purchasing contracts for a service which was established by another governmental agency's bid award, there was no written documentation to substantiate any discussions or analysis of the procurement selection process. In addition, per inspection of the original contract, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed, was included in the contract as required.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted within 30 days of month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/2/19	2
December 2018	1/23/19	-
February 2019	3/26/19	-
June 2019	7/24/19	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF LA HABRA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 61,382</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 61,382</u>

Note: The above amounts were taken directly from the financial records of the City of La Habra and were not audited.



City of La Habra

"A Caring Community"

FINANCE DEPARTMENT

110 E. La Habra Boulevard
Post Office Box 785
La Habra, CA 90633-0785
Office: (562) 383-4050
Fax: (562) 383-4478

March 9, 2020

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of La Habra as of and for the fiscal year ended June 30, 2019.

Procedure #9

Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. Determine whether that the Contractor was selected using a competitive procurement process; and
- b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Keolis Services in April 2018 to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that the City did not conduct a competitive procurement. The City had relied on a competitive process conducted by the City of Costa Mesa in June 2017. Although from inspecting the City's purchasing policy, the City could utilize cooperative governmental purchasing contracts for a service which was established by another governmental agency's success bid award, there was no written documentation to substantiate any discussions or analysis of the procurement selection process. In addition, per inspection of the original contract, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed, was included in the contract as required.

City's Response:

- a. The City attempted to meet the requirement to conduct a competitive procurement by "piggy-backing" on the City of Costa Mesa's successful bid award, which as stated above, was allowed by our purchasing policy. According to the City's La Habra Shuttle agenda report requesting authorization to execute an agreement with Keolis Transit Services, LLC, to operate the La Habra Shuttle, it stated that the City of Costa Mesa received two responses, one of which was deemed unresponsive to the RFP, therefore, Keolis was awarded the Costa Mesa contract. Staff reviewed

the Costa Mesa RFP and determined that their general scope of services were similar to La Habra's program requirements. Keolis was willing to honor the pricing that was quoted in the Costa Mesa agreement with the City of La Habra and was awarded the agreement. Future contract awards will include written documentation to substantiate any discussion or analysis of the procurement selection process.

- b. The City's contract agreement did not include language requiring that wheelchair accessible vehicles be made available and used as needed was purely an oversight. The City regularly uses two vehicles and has a third vehicle which is used as a backup. All three vehicles were donated by OCTLA and all three are wheelchair accessible vehicles. The City supplied a video of one of the buses with an operator demonstrating the wheelchair lift going up and down. Nevertheless, we will include the required language in future contracts.

Procedure #11

Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

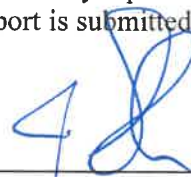
Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined one of the four reports was not submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/2/19	2
December 2018	1/23/19	-
February 2019	3/26/19	-
June 2019	7/24/19	-

No other exceptions were found as a result of this procedure.

City's Response:

The City is aware that all summary reports should be submitted within 30 days of month end to OCLTA. We will set up additional review procedures to ensure all summary reports are submitted within 30 days of month end with particular emphasis that the November report is submitted before our Christmas and New Year's holiday recess.



James D. Sadro
City Manager



Kelly Fujio
Director of Community Services



Melvin L. Shannon
Director of Finance

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF SAN CLEMENTE

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2019. Agree the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund and object. The City recorded its Senior Mobility Program expenditures in its Gas Tax Fund (12) under OCTA Senior Center Trans object code. The City reported \$48,609 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$223,392 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$67,427 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$67,427; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$78,339 during the fiscal year ended June 30, 2019, to the general ledger detail and the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the City's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained the City's interest allocation methodology. Interest is allocated based on the weighted average of the City's earned interest rates and the fund's month-end balances during the fiscal year. The City reported \$1,726 of interest income for the year ended June 30, 2019, which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$14,590, which was approximately 30% of the total expenditures of \$48,609. No exceptions were identified as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine if the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$48,609 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired with the City of San Clemente as to the process for determining eligibility. The Public Works Management Analyst processes all applications sent to the City for participation in the program. To verify eligibility, the Public Works Management Analyst reviews the application before entering the information into the program roster. Applicants must have photo ID and proof that they are residents of San Clemente and that they are older than 60 in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. If the applicant meets all the eligibility requirements, their application materials are entered onto the official program roster. Applicants must be on this verified/ approved roster before they can book rides through Yellow Cab for the Senior Mobility Program. The Public Works Management Analyst sends this roster to the Yellow Cab program liaison, who also verifies that the applicants were eligible before entering them in the Yellow Cab system for ride booking. No exceptions were identified as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to the indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. Determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab Inc. to provide senior transportation services under the Senior Mobility Program. From inspection of the procurement supporting documentation, we found that the City completed a competitive procurement process prior to contracting with Yellow Cab Inc. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included in the contract as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the City's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine if the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Through inspection, we determined all four reports were timely submitted within 30 days of month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	12/10/18	-
December 2018	1/15/19	-
February 2019	3/26/19	-
June 2019	7/17/19	-

No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF SAN CLEMENTE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	<u>\$ 48,609</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 48,609</u>

Note: The above amounts were taken directly from the financial records of the City of San Clemente and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF TUSTIN

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Tustin's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2019. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2019. Agree the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund. The City recorded its Senior Mobility Program expenditures in its Measure M Fund (139). The City reported \$70,669 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the Measure M fund expenditures of \$70,669, excluding the match funds. No exceptions were found as a result of this procedure.

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculate the amount the City received for the past three fiscal years. Obtain the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2019, agree to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determine whether funds were expended within three years of receipt. Explain any differences. For payments received during the fiscal year ended June 30, 2019, agree to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$184,091 for the past three fiscal years ended June 30, 2017, 2018 and 2019. We compared the fund balance of \$77,377 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$77,377; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$62,943 during the fiscal year ended June 30, 2019, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were found as a result of this procedure.

4. Determine if the City's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained the City's interest allocation methodology and identified that the interest income for the year of \$2,860 was calculated by multiplying the SMP average monthly cash balance and the Measure M2 Fund interest rate. The City reported \$2,860 of interest income for the year ended June 30, 2019 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. Fare collection is strictly a suggested donation and the fares are used to offset the cost of the program. No exceptions were found as a result of this procedure. No exceptions were found as a result of this procedure.

5. Determine that the City satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual- basis funding allocation) for fiscal year ended June 30, 2019.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of match and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$34,800 which was approximately 49% of the total expenditures of \$70,669. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine if the expenditures selected in (a) above are exclusively for Senior Mobility Program and meet the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected Measure M2 Senior Mobility Program expenditures totaling \$70,669 representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Per management, any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or identification card for age verification. However, the City allows persons 55 years and older to participate, while the Measure M2 Funding Policy Guidelines and the Ordinance require participants be aged 60 or older. We inquired as to the City's method for ensuring costs related to trips provided to ineligible persons (under 60 years of age) were not funded by the SMP; and the City did not have an adequate process for segregating costs for these trips. No other exceptions were found as a result of this procedure.

8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs per Schedule 3, line 1. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2019. As a result, we did not select a sample of charges or inspect supporting documentation relating to indirect costs. No exceptions were found as a result of this procedure.

9. Determine if the City contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. Determine whether the Contractor was selected using a competitive procurement process; and
- b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City did not contract with a third-party provider. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the City's contractor and perform the following:

- a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
- b. Determine if the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City did not contract with a third-party provider. As a result, we did not perform the procedures listed above.

11. Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). Two of the reports were not submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/10/18	10
December 2018	1/13/19	-
February 2019	4/4/19	4
June 2019	7/31/19	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Crowe LLP

Costa Mesa, California
April 1, 2020

CITY OF TUSTIN, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2019
(Unaudited)

SCHEDULE A

Senior Mobility Program Expenditures:	
Other Senior Mobility Project U	\$ 70,669
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 70,669</u>

Note: The above amounts were taken directly from the financial records of the City of Tustin and were not audited.

Parks and Recreation Services



April 1, 2020

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of Tustin as of and for the fiscal year ended June 30, 2019.

Procedure #7

Inquire as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Per management, any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or identification card for age verification. However, the City allows persons 55 years and older to participate, while the Measure M2 Funding Policy Guidelines and the Ordinance require participants be aged 60 or older. We inquired as to the City's method for ensuring costs related to trips provided to ineligible persons (under 60 years of age) were not funded by the SMP; and the City did not have an adequate process for segregating costs for these trips. No other exceptions were found as a result of this procedure.

City's Response: The City of Tustin offers transportation services for individuals 55 years and older. Participants are required to pre-register in order to participate in the program. The City's registration system shows that there are currently 676 participants over the age of 60 and 7 participants under the age of 60, which correlates to approximately 99% of participants meeting the 60 years of age threshold established by the Measure M2 Funding Policy Guidelines. Historically, the City has not tracked the number of trips for those participants that are under the age of 60. However, the City will implement controls to track trips separately for riders under and over the age of 60 in order to ensure that costs are segregated moving forward. However, it should be noted that in Fiscal Year 2018/19, Measure M2 funds (including related interest income) paid for approximately 56% of the total cost of the senior transportation program. Therefore, we believe that Measure M2 funds have been used to pay for only eligible program costs.

Tustin Family & Youth Center
14722 Newport Ave., Tustin, CA 92780
T: (714) 573-3370 • F: (714) 734-9421

Tustin Area Senior Center
200 South "C" Street, Tustin, CA 92780
T: (714) 573-3340 • F: (714) 544-7334

Columbus Tustin Activity Center
17522 Beneta Way, Tustin, CA 92780
T: (714) 573-3009 • F: (714) 731-8247

T: (714) 573-3326 • F: (714) 838-4779

300 Centennial Way, Tustin, CA 92780-3715 • www.tustinca.org

Procedure #11

Obtain and sample four monthly summary reports, and determine whether the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2018, December 2018, February 2019, and June 2019). OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Received</u>	<u>Days Late</u>
November 2018	1/10/18	10
December 2018	1/13/19	-
February 2019	4/4/19	4
June 2019	7/31/19	-

Through inspection, we determined that two of four reports were not timely submitted in timely manner or within 30 days of month end to OCLTA.

City's Response:

The Tustin Area Senior Center Supervisor, the person coordinating all SMP reports, was out on maternity leave from August 2018 through December 2018 which resulted a short delay in submitting the November 2018 monthly summary report. Similarly, the delay in submitting the February 2019 monthly summary report was due to a subsequent backlog of the Senior Center Supervisor's workload. Measures have since been instituted to identify a backup full-time staff person that will coordinate SMP reports in the case of any future leaves.

DocuSigned by:

Chad Clanton

DA5E41E0391041C...

Chad W. Clanton

Director, Parks and Recreation Department

DocuSigned by:

Jason Al-Imam

8D75CC0AF0CB4AE...

Jason Al-Imam

Director, Finance

DocuSigned by:

Matthew S. West

1848B2D99B6F47A...

Matthew S. West

City Manager